

United States District Court  
for the  
Southern District of New York  
Related Case Statement

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Full Caption of Later Filed Case:

Commerzbank AG

Plaintiff	Case Number
vs.	15-cv-10032
HSBC Bank USA, National Association	
Defendant	

Full Caption of Earlier Filed Case:

(including in bankruptcy appeals the relevant adversary proceeding)

Phoenix Light SF Limited, et al.

Plaintiff	Case Number
vs.	14-cv-10101
HSBC Bank USA, National Association	
Defendant	

IH-32

Rev: 2014-1

## Status of Earlier Filed Case:

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Closed

(If so, set forth the procedure which resulted in closure, e.g., voluntary dismissal, settlement, court decision. Also, state whether there is an appeal pending.)

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Open

(If so, set forth procedural status and summarize any court rulings.)

Phoenix Light SF limited, et al. v. HSBC Bank USA, National Association, Case No. 14-cv-10101 (S.D.N.Y. filed Dec. 23, 2014) (the "Phoenix Light Action") is a direct action against HSBC Bank USA, National Association ("HSBC") asserting claims, among others, for breach of contract, violation of the Trust Indenture Act of 1939 (the "TIA"), and violation of New York's Streit Act (the "Streit Act"). The Phoenix Light Action is related to Blackrock Balanced Capital Portfolio (FI), et al. v. HSBC Bank USA, No. 14-cv-09366 (S.D.N.Y. filed Nov. 24, 2014) (the "Blackrock Action"). On June 1, 2015, the Court denied HSBC's motion to dismiss plaintiffs' claims in the Phoenix Light case for breach of contract and under the Streit Act and §§ 315(B) and 315(c) of the TIA with respect to those trusts covered by the TIA. On July 1, 2015 plaintiffs filed an amended complaint.

Discovery is proceeding.

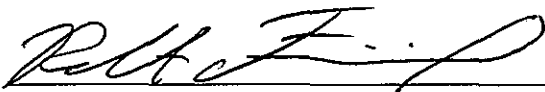
Explain in detail the reasons for your position that the newly filed case is related to the earlier filed case.

This case, Commerzbank AG v. HSBC Bank USA, National Association (S.D.N.Y. filed Dec. 23, 2015) (the "Commerzbank Action") and the Phoenix Light Action are rooted in the same basic alleged facts and legal theories against the same defendant, HSBC. In both cases, plaintiffs are investors who allege that HSBC, as the trustee of many substantially similar residential mortgage-backed securities ("RMBS") trusts, failed to take action to protect the trusts and the investors in those trusts. The plaintiffs in both actions assert claims against HSBC for breach of contract, violations of the Streit Act, violations of the TIA, breach of fiduciary duty, and breach of covenant of good faith. The RMBS trusts at issue in the Commerzbank, Phoenix Light, and Blackrock Actions involve many of the same parties. In fact, thirteen of the RMBS trusts at issue in the Commerzbank case are part of either the Phoenix Light or Blackrock Actions. (ACE 2005-AG1, ACE 2006-ASAP2, ACE 2006-ASAP5, ACE 2006-HE1, FBRSI 2005-2, FBRSI 2005-4, ACE 2005-HE5, ACE 2005-WF1, ACE 2006-ASAP3, DBALT 2006-AR4, GSAA 2005-6, NHELI 2005-FM1, and NHELI 2005-HE1).

The Commerzbank Action should also be accepted as related to the Phoenix Light Action because the cases will involve discovery about HSBC's policies, procedures, and actions as an RMBS trustee generally, its knowledge of systematic problems concerning many of the same sponsors, originators and servicers, and many of the same trusts. The discovery in the related cases will involve many of the same specific documents and witnesses, including depositions of HSBC's officers and representatives, review of hundreds of mortgage loans from the same trusts, and expert testimony likely covering the same subject matter. In addition, treating the cases as related will minimize duplication of effort and expense for the Court, the witnesses, and the parties.

Accordingly, Commerzbank AG respectfully submits that these cases should be treated as related pursuant to S.D.N.Y. Local Civil Rule 13.

Signature:



Date:

12/23/15

Firm:

Wallmuth Maher &amp; Deutsch LLP